

Corporate Governance Committee – 16 December 2008

Present: Councillor Williams (Chairman)
Councillors Coles, Denington, Horsley, Meikle, Paul,
Mrs Smith, A Wedderkopp and Mrs Whitmarsh

Officers: Ms S Adam (Strategic Director)
Mr P Carter (Financial Services Manager)
Mrs G Croucher (Democratic Services Officer)
Mr C Gunn (Group Auditor, South West Audit Partnership)
Mr D Woodbury (Health and Safety Advisor)

Also Present: Mr B Bethall and Mr T Bowditch (Audit Commission)

(The meeting commenced at 6.15 pm)

34. Apologies/Substitutions

Apologies: Councillor Henley (Vice-Chairman) and Councillors Beaven,
Critchard and Govier

Substitutions: Councillor Coles for Councillor Henley; Councillor Meikle for
Councillor Beaven and Councillor Horsley for Councillor
Critchard

35. Minutes

The minutes of the meeting held on 30 September 2008 were taken as read
and were signed.

36. Declarations of Interest

Councillor Coles declared a personal interest as a Director of Southwest One
and Councillor Paul declared a personal interest as a Member of Somerset
County Council.

37. Final Accounts Memorandum

Mr Terry Bowditch, Audit Manager, the Audit Commission (AC) introduced
Taunton Deane Borough Council's Final Accounts Memorandum.

The revised Statement of Accounts for 2007/2008 had been approved by the
Corporate Governance Committee on 30 September 2008, together with
consideration of the Annual Governance Report. The Final Accounts
Memorandum provided full details on the key issues that had arisen from the
Statement of Accounts.

Full details of the Final Accounts Memorandum were submitted for
consideration by Members.

Resolved that the report be noted.

38. Use of Resources

Mr Brian Bethell of the Audit Commission (AC) introduced the Council's draft Use of Resources Assessment.

The Use of Resources Assessment evaluated how well resources were used and managed. The assessment focused on the importance of strategic financial management, sound governance and effective financial reporting arrangements that should support the Council in the achievement of its priorities and improving services, whilst delivering value for money.

From April 2009 the AC would be implementing the Comprehensive Area Assessment. Therefore this was the last year the assessment would be undertaken under the Comprehensive Performance Assessment.

The assessment was made up of five themes that included financial reporting; financial management; financial standing; internal control and value for money.

Details of the ACs judgements of the Council's Use of Resources were submitted. The result had fallen to 2 from 3 last year. The main reasons for this were:-

- The introduction of new criteria and mandatory status of criteria at levels 2 and 3; and
- The Council's commitment to major strategic projects had had an adverse impact on the Council's capacity in the short term and had limited the ability to make progress in the areas covered in the assessments.

The AC concluded that despite the reductions in some scores this year, the Council was committed to delivering improvement in its use of resources and was engaged in major long-term investment which would help to deliver this objective. The outcomes from its radical change programme would be reflected in future assessments.

Resolved that the report be noted.

39. Data Quality Review 2007/2008

Mr Terry Bowditch of the Audit Commission introduced the Council's draft Data Quality Review 2007/2008.

The review had been tailored to focus on the key changes and actions taken to address previously identified weaknesses and recommendations. The review also followed the three stage approach to the review of data quality as set out below:-

Stage 1	Management arrangements A review using key lines of enquiry to determine whether proper corporate management arrangements for data quality were in place, and whether these were being applied in practice. The findings contribute to the auditor's conclusion under the Code of Audit Practice on the Council's arrangements to secure value for money (the VFM conclusion)
Stage 2	Analytical review An analytical review of 2007/2008 BVPI and non-BVPI data and selection of a sample for testing based on risk assessment
Stage 3	Data Quality Spot Checks In-depth review of a sample of 2007/2008 PIs all of which came from a list of specified BVPIs and non-BVPIs used in CPA, to determine whether arrangements to secure data quality were delivering accurate, timely and accessible information in practice. For 2007/2008 PI spot checks, the Audit Commission specified that it was compulsory to review two Housing Benefits PIs at all single tier and district councils as a minimum

The review concluded that there were a number of areas where improvements were required to achieve the next level of compliance. Full details of the review conclusions were submitted for consideration by Members.

Resolved that the report be noted.

40. Southwest One

Mr Terry Bowditch of the Audit Commission presented a review of Southwest One to assess the adequacy of the Council's arrangements for managing the project and achieving value for money over the period of the contract.

The review had a number of objectives. These included:-

- An assessment of the adequacy of the procurement process and associated governance arrangements;
- An assessment of how the Councils had identified the service and financial risks associated with the project;
- A review of the risk management arrangements which aimed to mitigate identified risks;
- A review of the contract management arrangements; and
- The evaluation of the arrangements established to ensure the project demonstrated value for money.

Details of the review conclusions were submitted for consideration by Members.

Resolved that the report be noted.

41. Annual Efficiency Statement 2007/2008 and National Indicator 179

Considered report previously circulated, that detailed the progress made by the Council to achieve efficiency saving targets. The report also provided forecast data for National Indicator 179 for 2008/2009 which had superseded the Annual Efficiency Statement (AES).

Local authorities were required to demonstrate 2.5% annual ongoing efficiency gains each year. At least half of the gains had to be cashable.

The final AES had recently been submitted to the Government and showed total expected efficiencies to be well above the targets set and details of the progress made in reaching these targets was submitted.

The AES had now been superseded by National Indicator 179. Local authorities were now required to demonstrate 3% annual efficiency gains. All the gains now had to be cashable. Individual targets for each local authority would be discontinued unless agreed as part of a Local Area Agreement (LAA).

Prior to submission to the Department of Communities and Local Government, National Indicator 179 would need to be signed by the Leader of the Council, the Chief Executive and the Section 151 Officer.

In common with the other Somerset Councils, Taunton Deane had included this indicator within its LAA and has increased the target to 3.5% of net revenue and capital expenditure.

Resolved that the report be noted.

42. Internal Audit Plan 2008/2009 – Progress Report

Considered report previously circulated, which provided an update on the significant findings and recommendations since September 2008.

Details were also reported of the operational audits completed for the period between September and December 2008 which included the main issues raised and the management responses.

Details of the reviews and managed audits currently underway were also provided.

Members requested a review of the Stores facility.

Resolved that the report be noted.

43. Health and Safety Reporting

Mr David Woodbury, the Health and Safety Advisor, gave a presentation to the Committee on Health and Safety reporting.

The presentation covered a number of priority health and safety issues and included:-

- The Council's General Health and Safety Policy Statement;
- The Corporate Manslaughter Act;
- The agreement and implementation of the Council's Health and Safety Management System; and
- Operational Risk.

A number of issues were emerging and included:-

- Unacceptable and avoidable civil claims from both workforce and public;
- Potential enforcement action from the Health and Safety Executive;
- Rapidly changing work environment; and
- Partnership risks.

There was a need for constructive challenge. This could be achieved by regular reporting to this Committee. There was also a need to consider how confidential and potentially sensitive information was presented for discussion.

Members discussed the need for Health and Safety to be reported regularly to all Councillors. They also agreed there was a need for this Committee to meet more frequently.

Resolved that:-

- 1) A Health and Safety update be made to every meeting of the Corporate Governance Committee;
- 2) A Health and Safety update be made to all Councillors through the Member Briefing sessions; and
- 3) To increase the meetings of the Corporate Governance Committee to 5 from the current 4 per year.

(The meeting ended at 8.11 p.m.)